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# THE RAILROADS AND THE PEOPLE

An Address By

DOCTOR JOHN WESLEY HILL

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# THE RAILROADS AND THE PEOPLE

By

Doctor John Wesley Hill

William E. Knox, Controller, Bowery Savings Bank,  
New York City, President of the Savings Bank  
Section, Presiding.

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CHAIRMAN: Having just heard with pleasure Mr. William R. Sproule, President of the Southern Pacific R. R. Co., who has addressed us from the standpoint of the Railroads, I now take pleasure in introducing Dr. John Wesley Hill, President of the International Peace Forum, who will represent the People's side of this question.

**I**N ADDRESSING this convention of bankers I feel somewhat like the owner of a little lumbering railroad in Michigan, who asked for an exchange of passes with a big railroad. "My road," he said, by way of explanation, "is not as long as yours, but it is just as wide." And so I would say, while my financial interests are not as extended as yours, and my business experience is much more limited, yet as a patriotic citizen, my sympathetic interest in the cause you represent is as broad as yours. This is my plea of justification for appearing before you.

The fact that I have personally less at stake in the great problem of prosperity places me on a level of interest with the people,

and leaves me free to declare the truth, as Pat announced upon the witness stand he would tell it, "without hope of punishment or fear of reward."

I appear here this morning as attorney for the people, to voice their rights in relation to the railroads. *What are these rights?* They are two-fold. First, honest, economical, undiscriminating service upon the part of the railroads. Second, the firm, fair and intelligent regulation of the railroads by the Government. This last condition is necessary to the execution of the first, for if the railroads are not intelligently and fairly regulated they will neither render efficient service, nor afford the people safe and profitable opportunity for the investment of their savings.

The poor man may have but a few dollars in the savings bank or in railroad stock, but it is his entire accumulated capital, and it must not be jeopardized by dangerous agitation or destructive legislation. It is the product of his toil, the fruit of his frugality, the prophesy of a compounded return which spells the difference between the savings bank and the poor house. This initial deposit or investment of the average man is the germ of a possibility which, if permitted to develop, will expand into financial efficiency and add another individual unit to the wealth-producing power of the nation. Thus the small investor of to-day becomes the capitalist of to-morrow. To ignore this inter-relationship of interest, to exalt one class of business above another, to encourage farming and fetter banking, or to regard railroads as far removed from the interests of the people, possessing no rights the public should respect, is in its final analysis an assault upon the rights of the humblest toiler in the land. The blow aimed at the man higher up inevitably reacts upon the man lower down. Business disaster strikes all alike. Some may bear it better than others, but it is surely not the man of small means or small earning capacity who can better stand up under the blow at big



business. He is the first to feel the crash and the last to recover from it.

Now then, bearing in mind the rights of the people with respect to the railways, how have these rights been recognized and protected on the one hand by the railroads and on the other by the Government which regulates them?

For a number of years the management of our railways has been under fire, and not without justification. Juggling, watering, rebating and plundering have subjected the railroads to suspicion on the part of the people,—and to investigation, indictment, prosecution, conviction and penalization upon the part of the Government. Granting this, we should not forget, however, that the shippers who put all kinds of pressure upon the railroads to secure unfair concessions, and the government which forced the railroads to maintain cut-throat competition must bear their share of responsibility and culpability for the evil conditions permitted to develop in the past. That these evils have been largely eliminated no one acquainted with the facts will deny. Government regulation, coupled with the voluntary cooperation of the railroads, has accomplished wonders. From the extravagance, waste, discrimination and mismanagement of this wild period in railroading, the railroads have been tamed into a strength and efficiency without a parallel in the world, and this in the face of the fact that they are paying the highest wages in the world.

In Germany, where most of the railroads are owned by the Government, the average annual wage of a railway employe is \$404. In this country, where the lines are all owned by private capital, the average wage of a railway employe is \$810, or over twice as much as in Germany. In spite of this enormous difference in wages, the average freight rate per ton per mile in this country is only 7.2 mills, while in Germany it is 13.7 mills. In

other words, our railways pay twice as high wages as Germany and charge only half as high an average freight rate. We hear a great deal of German efficiency in general, and much of what we hear is true; but, in view of such figures as these, it is clear that our railways are very much more efficiently managed than theirs.

Then regarding over-capitalization, it must be conceded that this is not true. It is well within the bounds of truth to say that the number of railways in this country which represent an investment exceeding their capitalization, is substantially greater than the number whose capitalization exceeds the investment they represent. Our railways are capitalized for \$64,000 a mile, those of Germany for \$117,000, those of France for \$149,000, those of the British Isles for \$277,000. We find then no real ground for complaint regarding the financial management of most of the railroads.

That the people themselves have taken this attitude in the past is indicated by the confidence they have shown in railway securities by investing in them.

*Now, the railroads are not, as is frequently charged, owned by a few men in Wall Street.*

I am not a statistician, but I have been looking at some figures that are public property, figures which are not old and discredited by recent developments, but brought down to date, and they tell a story which "he who runs may read."

These figures show that on the first of August, 1915, the total deposits in savings banks and savings departments of Commercial Bank and Trust Companies in the United States reached the enormous aggregate of eight and a half billion dollars. The number of banks is placed at 28,690 and the number of depositors at 24,189,489, an army mustered from the ranks of the common people, whose savings constitute a large proportion of the busi-

ness capital of the nation. In addition to these deposits in savings institutions, there are 34,000,000 policy-holders in life insurance companies. It is this vast army of depositors in savings banks and investors in life insurance policies for whom I am speaking here to-day. They are the direct or indirect owners of the railroads. They hold a large proportion of railroad stocks and bonds. As to the direct ownership of stocks, there are available statistics which show how many persons held them on June 30, 1914. The Bureau of Railway Economics recently compiled statistics furnished by the railways to the Interstate Commerce Commission as of that date. These statistics show that 1,287 railway companies with 254,387 miles of line, have 622,284 stockholders on record. The amount of stock owned by them is \$8,685,764, 125, or an average of \$13,958 per stockholder. There are two and one-half stockholders to every mile of railway and the average amount of dividends received by each of them annually is \$625.

Talk about the railways being "owned by Wall Street." They are our most democratically owned institutions.

But the direct investment does not tell the entire story. There is an indirect ownership by the public which is equally, if not more, important than the direct. This indirect ownership comes through Savings Banks, Life Insurance and Trust Companies. When one of these institutions receives money and agrees to return it with interest or dividends or maturing endowments, it is required by law to secure the depositor by investing the funds in securities which the law approves as safe.

In accordance with these requirements, the mutual and stock Savings banks and Life Insurance companies now hold nearly two and one-half billion dollars in railroad bonds. This vast sum belongs indirectly to the depositors. Outstanding railway

securities of all kinds are estimated, in round numbers, at twenty-billion dollars, equal to the combined savings of the world.

This almost incomprehensible aggregate of values is held very largely by "we, the people." The securities were purchased in good faith by investors at home and abroad, and by the savings banks and life insurance companies who hold them as security for the people's money. If their value is impaired, confidence is destroyed, savings are lost and untold suffering ensues.

We have a right, therefore, on behalf of the people, to examine some of the losses, direct and indirect, inflicted upon the people during the past few years. Some of these losses have resulted from the financial mismanagement of individual railways, as in the cases of the Chicago & Alton, the New York, New Haven & Hartford, the St. Louis & San Francisco, and the Rock Island.

The proper steps should be taken either by the passage of new laws or the stricter enforcement of those already existing, to stop such mismanagement and hold to personal accountability and punishment those responsible.

But the losses of investors in our railways in recent years have not been confined to those who unfortunately have put their money into the securities of roads which have been mismanaged.

There has been an enormous shrinkage in the value of railway securities generally. This shrinkage has been due to declines in net earnings, which must be accounted for on some other basis than that of inefficient management on the part of the railroads. In the state of New York alone the railroad bonds held by the Life Insurance companies have shrunk, in the course of a decade, a little more than \$110,000,000 during which period the value of railroad bonds and stocks has depreciated from 10 to 20 per cent. Allowing for a shrinkage of only 10 per cent. from what is called

the "peak year of 1906" on \$20,000,000,000 of railroad securities, we are confronted by a depreciation of \$2,000,000,000.

The responsibility for this rests somewhere, and if not on the railroads where should it be placed? It cannot be charged to the public, for public traffic and travel have greatly increased during the past decade.

The explanation of the decline in the net earnings of the railways is to be found in the fact that they have suffered from increases in expenses and taxes which their management have been powerless to prevent, while the regulating authorities have refused to permit the advances in rates necessary to offset them.

Specific figures are here in order. Effective federal regulation of railways began in this country in 1906. In the eight years to 1914 the average wage per employe on our railways increased from \$611 to \$810, or 33 per cent. The average taxes per mile increased from \$336 to \$568, or 69 per cent. With increases of 33 per cent. in the average wages per employe and of 69 per cent. in taxes per mile, while traffic per mile increased only 20 per cent. you would naturally expect that the railways might become embarrassed if they were not granted some compensating advances in rates. But, as a matter of fact, in 1907 the passenger rate was reduced in most of the States from 3 to 2 cents, while there was also a decline during these eight years in the average freight rate.

There could be but one effect from these increases in expenses and taxes and reductions in rates, viz.: depreciation. While in the eight years before 1906 the net operating income per mile of the railways increased \$1,124 or 54 per cent., in the eight years after 1906, it actually declined \$339, or 11 per cent. This decrease of 11 per cent. in the amount of net operating income with which to pay a return on the investment in the railways was accompanied by an increase of 20 per cent., or from \$59,624 to \$71,551 in their

investment in property per mile. In 1906 the average percentage of returns earned on the investment in the properties was 5.39 per cent.; in 1914 this had shrunk to 3.99 per cent. Under such conditions, financial catastrophe was inevitable, as the Irishman exclaimed, when he saw the mighty flood of water falling at Niagara, "Faith and what's to prevent it!"

Little wonder that we have harvested a large crop of railroad bankruptcies! There are now in the hands of receivers in this country no less than seventy-seven railways having a total mileage of 37,937 miles and a total capitalization of \$2,052,000,000. In other words, the mileage in the hands of receivers in this country exceeds the total mileage in existence in any other country in the world except Russia.

I hold no brief for the railroads, but, in behalf of the people, I may confidently demand the same justice for the railroads as for all legitimate industry.

Fully one half of our hundred million population, directly or indirectly, own the railroads, the maintenance and operation of which is the very life blood of our industry, finance and social progress.

If conditions are not right in this country for railroad prosperity, or if there is anything in the attitude of the government which is prejudicial to this prosperity, the sooner we discover and rectify it the better it will be for the interests of the entire country, for we should not forget that any injury inflicted on these highways of travel and commerce and economic solidarity must react on the people. If the railroads constitute the jugular vein of our national prosperity, that vein cannot be tapped without draining the financial blood of the people. Bleeding was once employed by medical science in the treatment of apoplexy and kindred disease. The patient was bled white in order to save his

life. Well, if there is even a modicum of virtue in such treatment, surely the people have suffered enough bleeding through depreciation of railroad securities to prevent for many years anything like swollen fortunes, capitalistic congestion or the slightest suspicion of a glut in their prosperity.

It is unnecessary for me to speak of what the railroads have done for our mighty, continental empire. As a nation we are not much older than the railroad industry. When our fathers achieved independence, it was a problem with them how far our lines of settlement could extend toward the west, away from the Atlantic Coast line and the water highways of the great rivers. Even the luminous intellect of Daniel Webster could not pierce the illimitable distance to the Pacific Coast and imagine populous and prosperous States upon that slope of the continent.

In a memorable speech in the United State Senate, he characterized the great Columbia River and Oregon territory embracing this great State of Washington as "not worth a boundary fight." The interior of the continent was generally regarded as a mere desert, fit only for rattlesnakes and Indians.

The railroads came and solved the problem. Step by step, as they developed, they carried the wave of civilization toward the setting sun. What do we not owe socially, industrially, and politically to the railroads? Could we have maintained this great Union in its integrity without them? They have reduced the population of this vast continent into a closely related, thoroughly compacted neighborhood. There are no distant places, not a spot large or small enough in which to hide a social, business or political secret. They have annihilated time and space and condensed our coast lines into the opposite sides of a little narrow street. Consider the enormous land wealth they have developed. When the first crude railroads were built a few million dollars would have measured the value of our agricultural resources;

10

but in the year 1900 the census showed the value of our farm land, improvements and implements to be more than \$17,000,000,000 and by the next census they had exceeded thirty billion. The railroads found the wealth of the United States estimated at less than \$3,000,000,000; it is now conservatively estimated at \$150,000,000,000. We of this generation, have seen the railroads pushing their way through wild areas of uninhabitable prairie land. Their builders were practical statesmen of a higher order. At their own risk they have discounted the possibilities of the future and provided a highway over which the settler could come in and over which he could ship his products back to the growing cities of the East and to Europe, thus enabling the fruit growers of California to market their crops on the Atlantic seaboard; the wool growers of the West and the cotton growers of the South to market their products, and indeed, enabling every producer throughout the land to market his products at his own door and thus become a competitive factor in the commerce of the world.

The magician of the Oriental tale who caused the palace to rise in a single night was but as an ant, rearing a tiny hill in the sand, compared to the wonder-working instrumentality which has evoked cities and communities from a barren wilderness, bound together into one social organism the people separated by thousands of miles, providing for them a market and an outlet for their unconsumed surplus, and bearing the ever-increasing burden of a nation's commerce at an average expense to the consumer of .729 of a cent per ton per mile, for that is the average charge on all the freight carried by the railroads in the United States.

*It must not be forgotten that all this service has been rendered by the railroads under the system of private ownership.*

In some of the older communities of Europe already occupied by dense populations the experiment of government ownership



has been tried, but with results far short in rapidity of development, efficiency of management, perfection of facilities and cheapness of freight and passenger rates in comparison with the accomplishment of our privately-owned lines of transportation.

The people are not clamoring for government ownership. They know what confiscation means to their interests. Whether the proposition be modified by compensation, based on physical valuation or whether out-and-out expropriation, both assail the institution of private property and must result in irreparable loss, not only to the railroads but to every stock and bond holder. The people prefer private to public ownership, knowing full well that the former encourages individual enterprise and efficiency while the latter not only invades the fundamental rights of the citizen, but reduces him to a factotum in a deadening bureaucracy.

Granted the railroads have made serious mistakes, departing in some instances far from the pathway of fair dealing and business probity. This does not justify their confiscation or absorption by the State. The entire system of railroading should not be assailed on account of exceptional wrongs. These irregularities have been righted by remedial legislation. The ploughshare of reform has turned a deep furrow; reorganizations have been effected, incompetent and dishonest managers and manipulators have been eliminated, interlocking directorates ended, and a new era has been inaugurated. The government has done its part in this work of reconstruction. Much of its legislation has been actuated by a sincere desire to correct abuses. Great good has been accomplished. No inflexible rule of procedure can be established. The railroads cannot grow in straitjackets. New conditions, new regulations, but there should be some definite coordinating policy on the part of the government in relation to the railroads in order to guarantee the restoration of their prosperity.

The government should not make the fashion plate of the

French milliner its model for railroad regulation. That artistic genius goes into seclusion at the close of each season, and by some system of integral calculus, or special spectrum analysis discovers that the plume which pointed toward the horizon in the Spring should point toward the zenith in the Summer, and as a result our American ladies are paying, every season, hundreds of thousands of dollars for the attitude of a feather.

Railroads should not be regulated by political fashion plates. Millions cannot be expended in improvements upon the uncertainty of the attitude of a government commission. Workingmen should not be given employment under one ruling and turned out into the streets under another. The employee has not as many lives as a cat; he has but one life, and all he asks is an opportunity to provide for himself and those dependent upon him by steady employment. Permanency is the condition demanded by the employer and the employe. Anything short of that results in confusion and disaster. Prosperity cannot be built upon the caprice of the moment. Factories cannot be successfully operated upon a four years' basis. Business cannot thrive in the dark. Railroads have a right to know what to expect. Blind alleys make poor terminals for trans-continental systems. They must have an open field, a fair chance and a square deal. That is the meaning of democracy, whether applied to people or industries—equal opportunity for all. And if this nation is to continue as the embodiment of representative democracy we must avoid anything and everything savoring of despotism, draw a line of demarcation between regulation and strangulation, between government by commission and government by the people, and develop our national resources and genius, our industries and institutions through that personal initiative and sense of justice and love of liberty which is as far removed from socialism upon the one hand as it is from anarchy on the other.

We are just emerging from a period which has been charac-

terized by an excess of legislation. Agitators and demagogues have precipitated an avalanche of legislative "cure-alls" guaranteed to bring the millennium. Thirty-two States have enacted drastic business regulations against outside corporations. In 1913 more than two thousand laws were passed in Congress, and more than 60,000 in state legislatures, while in the sixty-third Congress 30,000 bills were considered, together with eighty amendments to the Constitution of the United States, the subject matter running from the election of Supreme Court justices to a proposal to authorize the government, whenever it has reason to suspect that fortunes have been improperly obtained to bring an action for recovery. Let us hope that we are near the end of this legislative craze. Surely we have had sufficient opportunity to discover its inefficiency. The need of the hour, both in relation to the railroads and all business, is encouragement. Bills of lading are better indicators of prosperity than Bills of Legislation. The time is at hand for an era of construction. We are hearing much about progress nowadays. Mere motion is not progress. The little fellow on his hobby-horse in the nursery imagines that he is making a two ten record, when he is only wearing out the carpet. That is not progress—it is friction. Neither is there real progress in "exceeding the speed limit." An old Hebrew prophet exclaimed, "He that believeth shall not make haste." "Haste makes waste." Better to go slow and arrive on schedule time than to jump the track! Socialism is joy riding in the dark. Progress is heading in the right direction. You would not call yonder avalanche roaring down the side of a mountain, progressing, because it bears with it a signboard labeled, "Excelsior." Progress means growth and production. Destruction is not progress. An old fellow went to a surgeon in New York the other day, for the diagnosis of a large growth on the side of his head. The doctor examined it carefully and said, "It is a wen. It must be removed immediately. Your life is in danger." The patient

stretched out on the table and said, "I am ready, hurry up." The surgeon did hurry—that was his mistake—and becoming confused in the operation, cut off the old fellow's head, leaving the wen on. That is Socialism. Any maniac can thrust a crowbar into a piece of complicated machinery; any fool can scatter firebrands; any fanatic can wage a warfare against law and order and constitutional authority; but that is not getting anywhere. You would not burn down a building in order to disperse the rats. You would not sink yonder ocean steamer in order to remove the barnacles. Put her in the dry dock for scraping and repairs, and then push her back into the sea where she belongs. Keep the ship in the sea and the sea out of the ship and you have navigation and commerce.

It is high time to call a halt upon the headstrong and headlong carriage of professional progress, much of which is thoroughly reactionary. The reactionary would worship the devil on account of his antiquity. The revolutionary wearies of God Almighty because He is "From everlasting to everlasting." Between these extremes we find real Progress, slow, tedious, sure-footed and determined, a Progress rooted and grounded in the "arduous greatness of things achieved," which does not break with the precedents of the past, but "proves all things, and holds fast to that which is good." And my countrymen, the time is ripe for just this order of Progress. The iconoclast has done his work. The levelers have succeeded. The hour for the builder has arrived. The opportunity for real statesmanship is at the door. The people are awaiting the call of exalted leadership. They realize the necessity for a change of front in the attitude of the government toward business activity and prosperity. Business must be given a chance. It should not be kept on the witness-stand indefinitely. Government by Commission is headed toward tyranny. It is only a matter of time when it will bring up there.

Practically all of the forty-eight States of the Union have Commissions in some form or another for the regulation of railroads, while upon the other hand, the Interstate Commerce Commission of the Federal Government has well nigh unlimited power to fix rates. Between the State and National Commissions there are wide conflicting and confusing differences. These differences are so conflicting that the railroads are frequently in the position of the two travelers on the western plains in the early days. They saw a buffalo bull charging upon them and fled for safety, one of them springing into a tree and the other barely dodging into a cave as the infuriated beast went roaring by. Then the man in the cave jumped out and the bull rushed back, the man jumped in, and as the bull passed by the man jumped out; the bull came back and the man jumped in, and the bull rushed by and the man jumped out; whereupon the man in the tree shouted, "You infernal fool, you, while you are in there why don't you stay there!" to which the man below answered, "What the thunder do you know about this cave? There is a bear in here!"

Between the bull and the bear of State and Federal regulation, there is naught for the railroads but to jump in and out, backward and forward, in a vain attempt to escape the penalties of conflicting tribunals. It is hardly surprising in view of such confusion, that railroad managers are having difficulty in financing and operating their lines. It is no wonder that the credit of these roads is sometimes impaired, and that they are hard pressed to pay their employes the wages they demand. Any business man can appreciate the gravity and difficulty of a situation compelling him to pay a rising scale of wages, taxes and other expenses, with decreasing earnings and no power of his own to impose a fairly increased charge for his goods or services.

To an outsider, a layman if you please, viewing the situation from the standpoint of common sense, it would seem that unless

the strangle-hold of so-called regulation is withdrawn from the railroads, giving them a chance for respiration and recuperation there can be but one outcome, viz.: the government ownership of railroads. In other words, if the government will not permit the railroads to make fair profits, enough to protect their investors and to meet their expenses, the only alternative is for the government to take them over and operate them. This would be the last step this side of State Socialism. It would inevitably be followed by State ownership of the land, and with the fundamental instrumentalities of production and transportation in the hands of the government, individualism would cease to be a factor in the development of our civilization.

There has arisen, of late years, a class of pseudo-political economists whose trend of thought is all in the direction of the idea that the government must support the people. Paternalism may be a captivating dream to the indigent and improvident, but it is abhorrent to men of industry, enterprise and self-reliance. The government has nothing with which to support the people save what it takes from them in the form of taxes. It is the people who support the government and provide it with the funds necessary to administration. But in order to pay their taxes the people must have control of their own earnings and property. The industry and business of the country is the creation of individual effort. Our national progress has been through the evolution of the individual and the combined energy and intelligence of the people, aided by legislation protecting and conserving individual rights. The citizen thus protected in his rights of initiative property, investment, and enterprise can not only provide for himself, but furnish ample funds with which to support and maintain the government. But if the government is to expend the money which he pays in taxes in restricting his ability to make money, nothing remains but the confiscation of his property, and his en-

slavement as the servant of the State instead of his present status as an independent producer.

The American people are confronting the greatest industrial, commercial, and political era in their history. We will require the very highest industrial efficiency in order to seize and utilize great opportunities which existing conditions are opening before us, and our industrial efficiency and prosperity will depend very largely upon the efficiency and prosperity of our transportation system. The railways are the arteries of our commerce, and you can just as well expect a man with hardening of the arteries to maintain his health, energy, and activity as to expect a Nation with crippled and decadent railways to maintain and increase its industrial efficiency. Therefore, one of the first steps which should be taken to increase our National efficiency is to so readjust the rates and earnings of our railways as to enable them adequately to improve and expand their facilities. I do not say this in behalf of the railways, I say it on behalf of the people. The interests of the railroad and the people are identical. When the railroads prosper the people prosper. When the railroads suffer the people must pay the toll. It is their funeral. In the interest of the people the railroads should be subjected to wise and fair regulation and control; but also in the interest of the people they should be afforded the opportunity and means with which to well and adequately serve the people.

We are at the parting of the ways. The old world is wallowing in the waste and welter and barbarism of war. What the outcome will be it is not for us to prophesy. Neutrality is the word for our country. We are far removed from the conflict, geographically, politically, and ethically. Some lessons, however, are striking and apparent. Armed peace is an anomaly. Military budgets are not insurance policies but explosives. Thirty years ago these warring nations began to invest in armaments which were labeled, "Peace Insurance," and during this period they have paid

out hundreds of thousands of millions of dollars; their total indebtedness at the present time being forty-five billions of dollars. And now at a time when they need insurance they discover that their policies are worthless, indeed, that they are not insured at all. They are in the condition of the Jew broker, who one day, when business was a little slack, in toying with a silver dollar accidentally swallowed it, when throwing up his hands in despair, he exclaimed, "Mein Gott, mein Gott, I'm a dollar in and a dollar out, and I can't balance my books!" These fighting nations are billions in and billions out. In the meantime we know, and the whole civilized world knows, the wisdom of the words of Charles Sumner when he declared, "Armaments beget suspicion, suspicion begets fear, fear begets murder."

So long as militarism is the basis of civilization, so long as civilization must be propped up with bayonets, it is necessary for our Nation to furnish its quota of bayonets. Self-preservation is the first law of Nature. The nation which cannot or dare not, or will not, defend itself is unworthy the name of Nation. But my friends, at such a time as this it is for us to point the way toward universal peace. Our citizenship is heterogeneous. The ends of the earth meet here. It requires all the blood of the world to constitute one real, typical American citizen, whose citizenship is unique and independent, not hyphenated, but condensed into one magnetic word which spells democracy—Americanism. This is our citizenship, and he who would boast of any other, who would change or modify it, is unworthy the protection of that flag which glorifies our history, symbolizes our liberty, proclaims our mission and brings to pass the dreams and hopes and prophecies of all the past!

Toiling beneath this solemn standard of national pride and honor, it is for us to hold aloft the scales of justice, fit symbol of equity and honor and fair dealing among the nations of the



earth; to reassert the authority of reason as against the bloody arbitrament of the sword; to insist that there is a legal remedy for every wrong; that war is an assault on law and order, a ghastly conspiracy against civilization and a lapse into the starless night of barbarism.

Standing upon such a basis of righteousness, maintaining peace at home and amity with all the nations of mankind; possessed of the greatest physical basis for an enduring Empire the world has ever known; orphaned of the solemn instinct of antiquity, yet compensated in area for all that we lack in age; environed with mountains of silver and gold; boundless in resource, illimitable in energy and enterprise, a continental empire, threaded with a thousand lines of trade and commerce; a land of Edens and El Doradoes; beautiful with lakes like inland seas, and irrigated with rivers like rolling lakes; with a population more intelligent, patriotic, peaceful, prosperous, and contented than can be found anywhere else on this footstool of Almighty God, it is for us to illustrate the power and possibilities of American democracy; to demonstrate the stability of popular government; to show how labor and capital can live together, each recognizing the necessity of the other and both toiling for the common good, and in this atmosphere of industrial tranquility to develop that industrial independence, commercial supremacy and political stability which shall give to us an enduring place among the wondering nations of mankind!



















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